



April 16, 2004

OKLAHOMA BULLETIN NO. OK300-4-16

SUBJECT: LTP – Reinstatement of Expired Environmental Quality Incentives Program Contracts

Purpose: To provide policy for reinstating contracts that were inadvertently allowed to expire, or expired before payment could be made.

Expiration Date: September 30, 2004

Action Required By May 21, 2004

On September 26, 2003, FSA issued Notice CONSV-90, with NRCS's concurrence. CONSV-90 informed State and County FSA and NRCS offices that after the ending date (expiration date) on a contract has passed:

- * a contract cannot be reinstated,
- * a contract cannot be extended, and
- * payments cannot be issued.

For a variety of reasons, including NRCS's failure to timely determine that a contract extension was needed, FSA's failure to timely record an approved contract extension in the automated system, producer's failure to timely report completed practices, conditions beyond the producer's control preventing timely completion of practices, or other circumstances, EQIP contracts in several states expired before all practices had been completed or earned payments issued.

This bulletin provides revised policy and procedure for reinstating and extending expired contracts or issuing earned payments for expired contracts.

Reinstating and Extending Expired Contracts

For contracts on which the expiration date has passed, but the contract did not expire more than one year before April 2, 2003, the State Conservationist shall be authorized to approve requests to reinstate and extend contracts **on an individual case basis**, provided all of the following apply:

- NRCS determines and documents that the participant made a good faith effort to comply with the terms and conditions of the contract,
- the producer agrees to complete remaining practice(s) according to the plan of operation, and
- the term of the extended contract cannot exceed 10 years.

If a contract expired more than one year before the April 2, 2003, and extenuating circumstances warrant relief, the State Conservationist may request a waiver from the Deputy Chief of Programs to reinstate and extend contracts on an individual case basis.

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To reinstate or extend an expired contract, the NRCS designated conservationist shall submit a written request to the NRCS State office (see attached). Each request must include the following:

- * Producer's name
- * County FSA office in which farm records are administered
- * Reason contract is being reinstated or extended
- * Copy of original CCC-1200 containing:
 - * Original expiration date
 - * Revised contract expiration date marked in pen and ink
 - * Participant's signature and date to indicate agreement with revised expiration date

NRCS State office shall prepare a memorandum with the State Conservationist's signature to the designated conservationist, authorizing reinstatement and extension of the contract. The State Conservationist will send copy of signed memorandum to the FSA SED and NRCS National EQIP Program Manager.

The State FSA office shall promptly prepare a cover memorandum forwarding a copy of the State Conservationist's authorization memorandum to the applicable county FSA office for their information. Upon receipt of the signed, revised CCC-1200 from the designated conservationist, the county FSA office shall promptly revise the expiration date in the automated system and issue any approved payments without delay. Prompt payment interest may apply; FSA will review Handbook 61-FI (Rev. 2).

Additional funds are NOT authorized to be obligated to reinstated and extended contracts except for either of the following:

- contract modifications because of errors, omissions, or appeals (EOAs) approved according to existing policy
- funds originally obligated to the contract were deobligated according to FSA Notice CONSV-90 before receipt of the signed, revised CCC-1200 to reinstate and extend the contract. If this occurred, applicable EOA funds must be requested according to existing policy. Funds deobligated from expired contracts are not available for any purpose and must be returned to the FSA National office.

Issuing Earned Payments

If the contract expiration date for a 1996 Farm Bill contract has passed and the last practice on the contract has been installed, but the earned payment was not issued by the expiration date, it is not necessary to reinstate the contract. Provided all other requirements have been met, the earned payment may be issued.

This provision does not apply to 2002 Farm Bill contracts (contracts approved 2002 and later), which must be reinstated and extended to expire no earlier than one year after the date the last practice was implemented.

/s/ Mark Habiger, Acting For

M. DARREL DOMINICK
State Conservationist

Attachment